

REMARKS

Claims 1, 3-6, 9-11, 17, 18, 24-26, and 56 are currently pending in the present application, with Claim 1 being further amended.

Applicant would like to thank the Examiner for the telephonic interview conducted on April 15, 2009, during which the Applicant and the Examiner discussed the cited prior art references, and possible additional amendments to the claims to further clarify the invention claimed.

In the outstanding Office Action, the Examiner rejected Claim 1 under 35 U.S.C. 101 and 35 U.S.C. 112, first paragraph. These rejections were addressed in the Applicant's previous amendment filed on January 20, 2009.

In the outstanding Office Action, the Examiner also rejected Claims 1, 3, 5, 6, 9-11, 17, 18, 24-26, and 56 under 35 U.S.C. 103(a) as being unpatentable by Kaplan (U.S. Patent No. 5,963,916) in view of article titled "Stores Lure Credit-Wary Consumers Retailers Employ Range of Incentives to Draw Applicants," by Richard Foster (hereinafter "Foster") and further in view of Davis et al. (U.S. Patent No. 6,269,361).

This rejection was traversed in the January 20, 2009 Amendment with respect to the then amended claims, and is hereby traversed again in view of the additional amendments made to Claim 1 by this Supplemental Amendment. Specifically, Applicants traverse the rejection based on deficiency of the cited prior art references, the combination of the references in hindsight of the present application, and in view of newly presented objective evidence of non-obviousness. Each of these bases of traverse is addressed below.

A. The Cited References, Even If Combined, Do Not Teach Or Suggest The Present Invention As Claimed.

As previously addressed in the January 20, 2009 Amendment and substantively repeated herein for the Examiner's convenience, the present invention as claimed is directed to a computer-implemented process, using a vendor computer and a consumer communications device, for offering incentives to consumers who wish to otherwise purchase or acquire a product or service.

In accordance with a preferred embodiment as recited in Claim 1, a consumer interacting with the claimed system may receive an incentive associated with the computer-assisted purchase or acquisition of the product or service on the precondition that the consumer first receives a sponsor message, which according to the claimed invention is first pre-associated with the for-sale products or services (*e.g.*, an advertisement message for auto insurance may be pre-associated with a news article about new cars being introduced), and that the sponsor message includes an advertisement provided by the sponsor for advertising an unrelated product or service (*i.e.*, product or service other than the product or service which the consumer seeks to acquire).

As also previously communicated, the present invention offers the advantage of allowing a consumer to acquire a product or a service by having a sponsor effectively helping to carry some or all of the cost associated with the acquisition of the product or service. This also benefits the sponsor of the sponsor message since; that is, by associating the sponsor messages with the products and services, the sponsor messages may be selectively distributed to consumers on a more intelligent basis as opposed to blind mass distribution of advertisement.

Applicant submits that, the Examiner's cited references, even if combined, do not contain any disclosure or suggest at least two limitations of Claim 1 as currently amended.

First, the combined references do not teach or suggest selecting a sponsor message to be pre-associated with a for-sale product or a for-sale service offered by a vendor, wherein the sponsor message is directed to another for-sale product or another-for sale service offered by the sponsor (the vendor being a separate entity from the sponsor).

Second, the combined references also do not teach or suggest offering to a consumer an incentive related to the purchase of a product or a service on the precondition that the consumer first agrees to receive or interact with an advertisement *that was pre-associated with the product or service being acquired and includes an advertisement relating to a different product or service*, and that, upon receiving an acceptance of such an offer, presenting to the consumer the sponsored message, followed by providing the offered incentive to the consumer.

The above two grounds of patentable distinctions are addressed in further detail below:

1. The Combined References Do Not Teach Or Suggest Selecting A Sponsor Message to Be Associated with A For-Sale Product Or A For-Sale Service Offered by A Vendor, Wherein The Sponsor Message Is Directed to Another For-Sale Product Or Another-For Sale Service Offered by The Sponsor

The Examiner acknowledges, at page 5 of the Detailed Action, that Kaplan does not teach or suggest selecting a sponsor message and pre-associating that selected sponsor message with a for-sale product or a for-sale service (offered by the vendor), wherein the sponsor message contains an advertisement by a sponsor for a product or service (offered by the sponsor).¹

¹ Applicant submits that Davis also fails to teach or suggest this limitation.

The Examiner cites Foster to make up for this deficiency in Kaplan. Applicant submits that Foster fails to make up for this deficiency, especially in view of the amended claims.

First, the credit-card incentive program disclosed in Foster is NOT pre-associated to any for-sale product or service. In fact, the opposite is true in that the credit-card incentive program is offered indiscriminately with respect to the product or service towards which the discount may be applied. There is no pre-association of the incentive to any for-sale product or for-sale service, as specifically recited in the claim.

Furthermore, the credit card incentive program disclosed in Foster is not itself offered for sale by the sponsor. Rather, the credit card incentive program disclosed in Foster is offered for free to the consumers who qualify.

Similarly, in Foster, the credit card incentive program is offered by the vendor itself, not a sponsor.

Finally, Applicant points out that, in Foster, the credit card incentive program is not a sponsor message that is communicated to a consumer via a consumer communications device. In fact, none of the references disclose or teach presenting advertisement to a consumer via the consumer's communication device (Kaplan shows a public point-of-sale kiosk, not a consumer communication device, as the point of transaction).

Accordingly, even if Foster is combined with Kaplan, the combined references still do not disclose or suggest selecting for pre-association a sponsor message that advertises a for-sale product or service offered by the sponsor, and presenting that message to a consumer via the consumer's communication device.

2. The Combined References Do Not Teach Or Suggest Offering Incentive on The Precondition That The Consumer First Receives Or Interacts with An Advertisement Pre-Associated with The Product Or Service Being Acquired.

None of Kaplan, Foster, or Davis contains any disclosure or suggestion of offering to a consumer an incentive related to the purchase of a product or a service *on the precondition* that the consumer first agrees to receive or interact with an advertisement *that was pre-associated with the product or service being acquired and includes an advertisement directed to a for-sale product or for-sale service offered by the sponsor*, and that, upon receiving an acceptance of such an offer, presenting to the consumer the sponsored message via the consumer's communication device, followed by providing the offered incentive to the consumer.

With respect to Kaplan, as the Examiner indicated, Kaplan discloses only presenting previews of music selections (*see, e.g.*, col. 2, line 65 to col. 3, line 16), and presenting rating questions related to the preview selections (*see* col. 7, lines 14-24). Kaplan does not contain any disclosure or suggestion of presenting a pre-associated sponsor message that advertises a sponsor-offered for-sale product or for-sale service, and offering to consumers purchase-related incentives for receiving such sponsor message.

Neither Foster nor Davis makes up for this deficiency of Kaplan.

With respect to Foster, Foster does not teach or suggest that incentives are offered on the precondition that a consumer views or interacts with a sponsor message, as specifically recited in Claim 1. That is, in Foster, incentive is NOT offered if a consumer simply reads a brochure or an advertisement message about the credit-card incentive program. Rather, the incentive is offered to consumers who apply for, and is approved for, a credit card which the consumer then uses to make the purchases. Whether incentive is offered is NOT preconditioned in any way

upon whether the consumer viewed or interacted with the advertisement message for the credit-card incentive program. That is, the consumer would not receive the ten percent discount simply for reading a brochure related to the store-offered credit card program. Hence, EVEN if the credit card program in Foster includes an annual fee (and hence may arguably be itself a for-sale service), it would still be deficient against the limitation as currently recited. And, as already discussed above, Foster does not disclose presenting sponsor messages that advertise a for-sale product or for-sale service offered by the sponsor (as specifically recited in the amended Claim 1).

Davis too fails to make up for this deficiency as Davis is simply directed to influencing search listings on the Internet.

For the above reasons, Applicant has shown that the cited references, even if combined, do not disclose the present invention as recited in the claims, and respectfully submits that the Examiner has therefore not established a prima facie case of obviousness.

B. The Examiner's Combination of Cited References Is A Result of Impermissible Hindsight in View of The Present Application

Applicant further traverses the Examiner's combination of Foster with Kaplan and Davis in that the Examiner's combination is the result of impermissible hindsight reconstruction in view of the teachings of the present invention.

Reconstruction of an invention using prior art references is not impermissible per se. Indeed, "[a]ny judgement on obviousness is in a sense necessarily a reconstruction based on hindsight reasoning." *In re McLaughlin* 443 F.2d 1392, 1395, 170 USPQ 209, 212 (CCPA 1971); M.P.E.P. 2145(X)(A). However, hindsight reconstruction is not proper if it take into account more than just the knowledge that of which was within the level of ordinary skill in the

art at the time the claimed invention was made, or include knowledge gleaned only from applicant's disclosure.” *Id.* This appears to be exactly what happened in this case.

In this case, the Examiner’s combination of the three references is not a reconstruction of the invention based solely on the knowledge of one of ordinary skill in the art. Rather, the Examiner’s reconstruction was made possible only by using the present application as a blueprint.

Even post *KSR*, using an application as a blueprint or a roadmap for reconstruction it not permissible: “[a] factfinder should be aware, of course, of the distortion caused by hindsight bias and must be cautious of arguments reliant on ex post reasoning.” *KSR Int’l Co. v. Teleflex, Inc.*, 550 U.S. 398, 421 (2007). *KSR* does not disturb the long-standing principle that reconstruction using the Examiner’s knowledge rather than the knowledge of one of ordinary skill in the art is not proper. See *Sanofi-Synthelabo v. Apotex, Inc.*, 550 F.3d 1075, 1088 (Fed. Cir. 2008) (citing *KSR v. Teleflex*, 127 S. Ct. at 1742 (recognizing “hindsight bias” and “ex post reasoning” as inappropriate in determination of obviousness)); *Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1348 (Fed. Cir. 2008) (“in addressing the question of obviousness a judge must not pick and choose isolated elements from the prior art and combine them so as to yield the invention in question if such a combination would not have been obvious at the time of the invention.”) (quoting *Dennison Mfg. Co. v. Panduit Corp.*, 475 U.S. 809, 810 (1986)).

As the Federal Circuit recently reiterated in *Abbot Labs*, “in *Graham v. John Deere Co.*, 383 U.S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545 (1966) the Supreme Court recognized that the obviousness inquiry must ‘guard against slipping into use of hindsight and to resist the

temptation to read into the prior art the teachings of the invention in issue.' *Id.* at 36." *Abbos Labs*, 544 F.3d at 1342.

These recent decisions from the Federal Circuit supports the long-standing understanding that "the simplicity of new inventions is oftentimes the very thing that is not obvious before they are made. . . . the fact that the invention seems simple after it is made is not determinative of the question of obviousness. If this were the rule, many of the most beneficial patents would be stricken down." *In re Spock*, 31 F.2d 686, 689-90 (CCPA 1962).

In this instance, both the combination of Kaplan with Foster as well as Kaplan with Davis are results of impermissible reconstruction that are results of using the present application as a blueprint to find the missing pieces of otherwise unrelated references and forcing a combination in a manner that would not have been obvious to one of ordinary skill in the art.

First, with respect to combining Foster, the Examiner appears to suggest that it would have been obvious to one of ordinary skill in the art, even if in absence of gleaning the present application, to substitute the credit-card incentive program of Foster in place of the music-preview selection or rating questions of Kaplan. Applicant submits that such a combination is not only NOT obvious to one of ordinary skill in the art at the time of the invention (August of 2000), it is possible ONLY after gleaning the present application.

First, Applicant notes that the music-preview selections in Kaplan serve the purposes of assisting a user in the selection of music pieces to be purchased, while the rating questions presented allows a user to earn bonus points applicable towards future discounts. Substituting in its place a credit-card incentive program would result in an inoperative system in that the credit-card incentive program advertisement cannot, in any way, assist a user in the selection (like

previews can) or instantly allow a user to earn bonus points since the ten percent discount disclosed in Foster requires using the credit card to make a purchase (after the consumer is approved for credit). Again, Foster does not teach or disclose providing incentives simply for receiving a sponsor message about the credit card; rather, incentives are provided only for the use of an approved credit card. Incorporating a credit-card issuing feature to the music dispensing kiosk of Kaplan is not only unobvious, such a combination completely defeats the purposes of both Kaplan and Foster.

Likewise, combining Davis with Kaplan and Foster is another example of impermissible hindsight reconstruction in view of the present application.

Specifically, it would not have been obvious, nor would it add much utility, to keep track of how many times a credit-card incentive program advertisement in Foster has been presented to a consumer and, if a predetermined number has been reached, stop offering the incentive program. The Examiner seems to suggest that the teachings of Davis and Foster would make such a combination obvious. First, Applicant notes that Davis is not directed to keeping track of how many time a sponsor message has been presented, but rather how much financial credits remain for a particular advertiser; hence, even if combined, the references do not disclose or suggest “verifying that the total number of times which the sponsor message has been previously presented is less than a number of predetermined transaction cycles . . .” as recited in Claim 1.

Even assuming, *arguendo*, that Davis teaches tracking the number of times a message has been displayed and compare that with a predetermined number of cycles contracted, Applicant submits that Davis and Foster are simply not combinable as doing so does not make business sense.

Again, according to the Examiner, the obvious hypothetical combination of Foster, Kaplan, and Davis would result in offering, via a communications network to the consumer communication device, the credit-card incentive program (instead of music preview selections or rating questions) to would-be purchasers of music in Kaplan, after confirming that the sponsor of the credit-card incentive program still have credits left with the advertiser account (as taught in Davis). Applicant submits that this hypothetical combination, even if made, not only fails to disclose the present invention as recited in Claim 1 as amended but is no less than an artificial creature created by the Examiner as a result of “pick and choose isolated elements from the prior art and combine them so as to yield the invention in question,” which is specifically forbidden under current patent law. *See Abbott Labs. v. Sandoz, Inc.*, 544 F.3d 1341, 1348 (Fed. Cir. 2008).

C. Applicant Hereby Presents Objective Evidence of Nonobviousness

Notwithstanding Applicant’s position that the Examiner has failed to establish a prima facie case of obviousness, Applicant hereby submits objective evidence of non-obviousness to rebut the Examiner’s purported case of obviousness. As the Examiner is aware, objective evidence of non-obviousness must be considered and given due weight. M.P.E.P. 716.01(a). Applicant further notes that lack of objective evidence does not weigh in favor of obviousness. *Id.*

Attached to this Supplemental Amendment is a declaration under 37 C.F.R. 1.132 by the inventor of the present invention, Dana Jones, who is the inventor of the present application and is also an officer of the corporation Ultramercial to which the present application is assigned (hereinafter “the Jones Declaration.”)

As detailed in the Jones Declaration, attaching several exhibits, ample evidence supports that the present invention yields unexpected results, commercial success, solves a long-felt need in an industry in which many others failed, and is subject of copying by competitors. Nexus of the merits of the present invention as claimed and these secondary indicia of non-obviousness, such as copying by others, are amply demonstrated in the declaration, as are the concrete financial results that support commercial success. The totality of the evidence present a compelling case of non-obviousness. At a minimum, the declaration and the attached exhibits serve to rebut the evidence supporting the Examiner's prima facie case of obviousness.

Applicants respectfully note that, under M.P.E.P. 716.01(d), should the Examiner find unconvincing the evidence of non-obviousness, the Examiner is requested to address the deficiencies of EACH the evidence presented for each of the stated factors (including each of unexpected results, commercial success, solving of long-felt need, and copying).²

For all of the reasons provided above, Applicant submits that Claim 1, and therefore all claims dependent upon Claim 1, are not obvious in view of Kaplan, Foster, and Davis, either individually or a combination thereof.

In view of the above, Applicant respectfully submits that each of the presently pending claims in this application is believed to be in condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is determined that a telephone conference would expedite the

² "If, after evaluating the evidence, the examiner is still not convinced that the claimed invention is patentable, the next Office action should include a statement to that effect and identify the reason(s) (e.g., evidence of commercial success not convincing, the commercial success not related to the technology, etc.)." M.P.E.P. 716.01(d).

prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no.513612000200. However, the Commissioner is not authorized to charge the cost of the issue fee to the Deposit Account.

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Respectfully submitted,

By / David T. Yang /

David T. Yang

Registration No.: 44,415

MORRISON & FOERSTER LLP

555 West Fifth Street

Los Angeles, California 90013-1024

(213) 892-5587